

## PROCEEDINGS OF THE BOARD OF ESTIMATE & TAXATION

The regular meeting of November 14, 2012 held in room 317 of City Hall.

Meeting called to order by President Fine at 4:00 p.m.

Present were: Fine ( Robert Fine, Representative of the Park and Recreation Board ), Johnson (Barbara Johnson, President of the City Council) , Becker ( Carol J. Becker, Elected Member ), Wheeler ( David Wheeler, Elected Member ).

Absent; Hodges ( Betsy Hodges, Chair of the Ways & Means/Budget Committee of the City Council ), Rybak ( R T Rybak, Mayor of Minneapolis ).

The secretary reviewed with the Board the following:

Of the 57,652 residential homestead parcels in the data grouping ( which are parcels over the last three years with no change in classification & no permitted improvements that would change the market value ) , for taxes payable in 2013 the January 2, 2012 valuations are used.

40,521 parcels or 70.29% of the parcels have **Market Value** decreases  
16,780 parcels or 29.11% of the parcels have no Change in **Market Value**  
351 parcels or 0.61% of the parcels have **Market Value** increases

5,476 parcels or 9.50% of the parcels will have a **CITY tax** decrease of at least 15%  
15,785 parcels or 27.38% of the parcels will have a **CITY tax** decrease of at least 10%  
23,144 parcels or 40.14% of the parcels will have a **CITY tax** decrease of at least 7.5%  
31,637 parcels or 54.87% of the parcels will have a **CITY tax** decrease of at least 5%  
38,890 parcels or 67.45% of the parcels will have a **CITY tax** decrease of at least 2.5%  
**40,463 or 70.18% of the parcels will have a CITY tax decrease**

17,048 parcels or 29.57% of the parcels will have a **CITY tax** increase between 0.50% to 0.75%  
**The above makes up 57,524 of the data sample or 99.77%**

90 parcels or 0.16% of the parcels will have a **CITY tax** increase between 0.75% to 1.00%  
40 parcels or 0.07% of the parcels will have a **CITY tax** increase above 1.00%

The secretary presented to the Board a request which authorizes an amendment to the General Obligation Storm Water Revenue Note of 2012 (the "Note") to defer the first principal payment date on the Note from August 20, 2012, to December 1, 2012. This change is required by the fact that the first disbursement from PFA on the Note did not occur until October 24, 2012

RESOLUTION (By Johnson )

AMENDING THE TERMS OF THE GENERAL OBLIGATION STORM  
WATER REVENUE NOTE OF 2012 ISSUED IN THE ORIGINAL  
AGGREGATE PRINCIPAL AMOUNT OF \$589,864

BE IT RESOLVED By the Board of Estimate and Taxation of the City of Minneapolis, Hennepin County, Minnesota as follows:

1. The Minnesota Public Facilities Authority ("PFA") is authorized pursuant to Minnesota Statutes, Chapter 446A, as amended, to issue its bonds (the "PFA Bonds") and to use the proceeds thereof, together with any other funds of the PFA available for such purpose in the Clean Water Revolving Fund (including federal capitalization grants, proceeds of Minnesota general obligation bonds, other funds of the PFA, or a combination thereof), to provide loans to political subdivisions of the State of Minnesota to fund eligible project costs.

2. Pursuant to the terms of a Bond Purchase and Project Loan Agreement, dated April 11, 2012 (the "Loan Agreement"), between the PFA and the City of Minneapolis (the "City"), the PFA committed to provide \$786,484 to the City for the purpose of financing eligible project costs of the Clean Water Revolving Fund project described as follows: the conversion of 5-1/2 blocks of urban roadway to a pedestrian walkway with rain gardens, all as detailed in the Minnesota Pollution Control Agency project certification dated April 28, 2011 (the "37<sup>th</sup> Avenue Greenway Project" or the "Project").

3. The Project financing consists of: (i) a loan from the Clean Water Revolving Fund in the amount of \$589,864 (the "Loan") which is evidenced by a Note (as hereinafter defined) of the City, which bears interest at the rate of one percent (1.00%) per annum and matures on August 20, 2013; and (ii) a grant in the amount of \$196,620 which is not required to be repaid to the PFA unless certain conditions in the Loan Agreement are not satisfied.

4. Pursuant to Resolution 2012R-278, adopted by the City Council of the City on May 11, 2012, the City Council requested that the Board of Estimate and Taxation (the "Board") incur indebtedness and issue and sell bonds of the City in the amount of \$589,864 to finance a portion of the Project by issuing a general obligation note to the PFA as part of its Clean Water Revolving Fund program.

5. On May 23, 2012, the Board adopted a resolution authorizing the issuance and sale to the PFA of a General Obligation Storm Water Revenue Note of 2012 (the "Note"), to be issued in the original aggregate principal amount of \$589,864. Under the terms of the Note and the Loan Agreement, the proceeds of the Note were to be disbursed to the City in installments the first of which was to be made after June 13, 2012 (the dated date of the Note) and prior to August 1, 2012 (the first principal payment date with respect to the Note). Contrary to expectations, the first installment on the Note was not disbursed from the PFA to the City until October 24, 2012, when the City received an installment of \$451,650.15 from the PFA.

6. The first principal payment date on the Note is August 20, 2012. On such date, the City was scheduled to pay a principal payment of \$289,864. Notwithstanding the terms of the Note, the City could not make a principal payment on the Note until at least a portion of the proceeds of the Note were first disbursed from the PFA to the City. After the disbursement of the first installment of the proceeds of the Note on October 24, 2012, the City and the PFA proposed to defer the first principal payment date on the Note from August 20, 2012, to December 1, 2012.

7. The Board hereby authorizes an amendment to the Note, effective as of October 24, 2012, to defer the payment of the first principal of the Note from August 20, 2012, to December 1, 2012, and authorizes the Secretary of the Board and the Finance Officer of the City to pay the principal installment of \$289,864 on December 1, 2012. The Secretary of the Board and the Finance Office of the City are further authorized to take all actions deemed necessary and appropriate by them to effect and memorialize the foregoing amendment to the terms of the Note.

8. Except as provided in the resolution, the terms of the Note are ratified and confirmed.

Adopted: November 14, 2012.

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Robert B. Fine  
President  
Board of Estimate and Taxation

Attest:

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Jack A. Qvale  
Executive Secretary

After discussion Johnson moved the resolution. Motion seconded by Becker. The motion was adopted. Yeas – 4, Nays – none, as follows; Yeas – Johnson, Wheeler, Becker, Fine – 4; Nays – none.

The secretary reviewed the resolutions that would be before the Board for adoption on December 12<sup>th</sup> 2012 relating to the 2013 budget, appropriation and tax levies.

No additional direction to staff was given at this time.

The meeting was adjourned at 4:29 p.m.